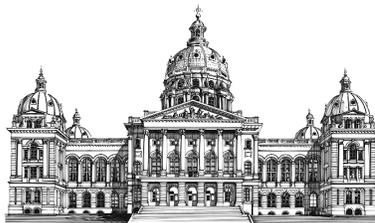

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State Capitol
Des Moines, IA 50319
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Judicial Branch Revenue

ISSUE

This *Issue Review* examines the distribution of Judicial Branch revenue to the General Fund and other funds in State government.

AFFECTED AGENCIES

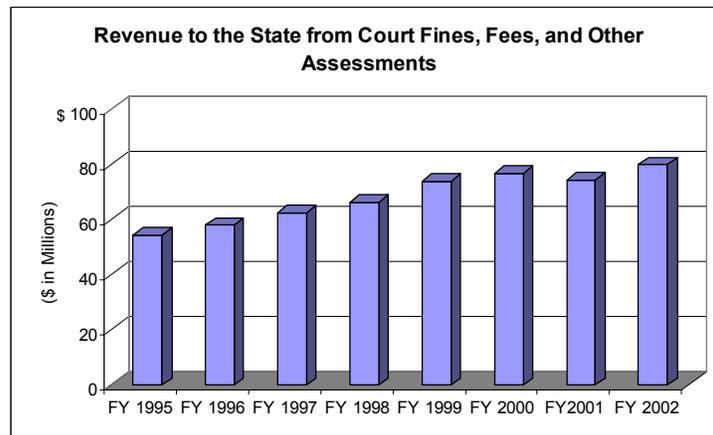
Judicial Branch
Department of Transportation
Department of Public Safety
Attorney General's Office
Department of Public Health
Department of Corrections
Governor's Office of Drug Control Policy

CODE AUTHORITY

Sections 602.8105 through 602.8108, Code of Iowa

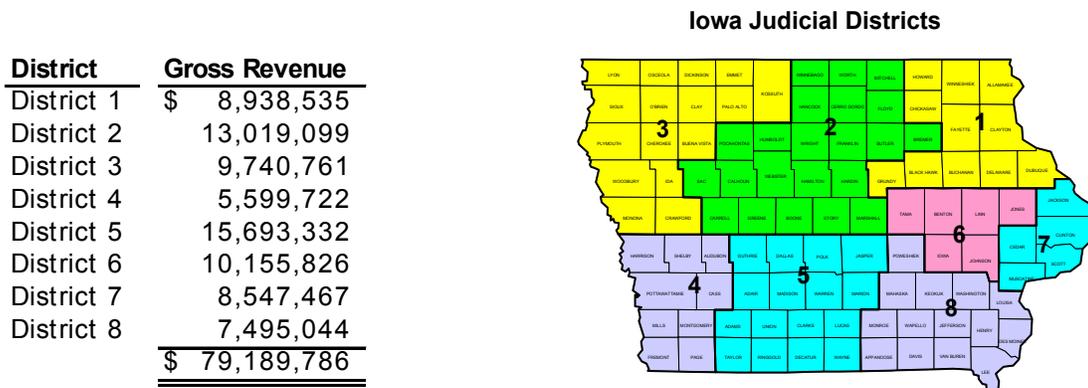
BACKGROUND

In FY 2002, the Judicial Branch generated \$79.6 million in revenue. This was an increase of \$5.2 million or 7.0% compared to FY 2001. The chart below provides the historical revenue generated from court fines and fees from fiscal years 1995 to 2002.



CURRENT SITUATION

The following chart shows the FY 2002 distribution of gross revenue per Judicial District that was received by the State prior to being deposited into the General Fund.



In addition to the \$79.2 million in gross revenue received directly from the Clerk of Court offices, the Judicial Branch collected approximately \$438,000 in miscellaneous receipts. The total revenue received by the Judicial Branch in FY 2002 was \$79.6 million. As shown in **Attachment A**, \$24.1 million was deposited into other funds within State government and the remaining balance of \$55.6 million was deposited into the General Fund.

Each year, a set amount of \$9.5 million is deposited to the Prison Infrastructure Fund and \$1.0 million is deposited to the Court Technology and Modernization Fund. Money collected for commercial vehicle fines is deposited directly into the Road Use Tax Fund. The total reimburseable to the Road Use Tax Fund in FY 2002 was \$2.5 million. Other FY 2002 revenue was deposited into funds in the Attorney General’s Office, the Department of Transportation, the Department of Public Health, and the Department of Public Safety. The Judicial Branch is also allowed to keep 10.0% of the receipts collected by the Department of Revenue and Finance. This money is deposited into the Iowa Court Information System (ICIS) to help offset the ICIS interface.

Each quarter, the Revenue Estimating Conference (REC) makes an estimate as to how much revenue should be received by the Courts. If the Judicial Branch meets the REC revenue estimate, \$4.0 million is transferred from the General Fund to the Enhanced Court Collections Fund. The

Judicial Branch REC estimate for FY 2003 is \$54.1 million. If the Judicial Branch does not meet the REC estimate, the \$4.0 million remains in the General Fund.

The Enhanced Court Collections Fund was established as an incentive for the Judicial Branch to collect revenue, allowing the Judicial Branch to keep up to \$4.0 million of the revenue collected in the Enhanced Court Collections Fund. Money in the Enhanced Court Collections Fund is used for technological improvements. If the revenue collected is more than two years old, the revenue is deposited into the Jury Witness Revolving Fund within the Judicial Branch.

Two areas where differences arise between what the Judicial Branch considers revenue and what the REC considers revenue are indigent defense fees and year-end deposits. The REC does not consider recovered attorney fees for indigent defense as part of court revenue; however, the Judicial Branch considers recovered attorney fees for indigent defense as part of its revenue total. The REC also considers revenue in the month that the revenue was received by the Treasurer's Office, whereas the Clerks of Court send revenue to the State Court Administrator's Office once a month by the 15th of the following month, which creates a difference in fiscal year receipts between the Judicial Branch and the REC. The REC considers revenue deposited in July as July revenue or revenue for the next fiscal year whereas the Judicial Branch considers revenue deposited in July as June revenue, or revenue from the previous fiscal year as long as it was deposited on or before July 15th.

BUDGET IMPACT

As of April 2002, revenue from indictable crimes had dropped 19.0%, and revenue from parking violations had dropped 29.0%. Court costs for scheduled violations requiring a court appearance and other simple misdemeanors decreased 8.0%. Fees for scheduled violations increased 7.0%, fines and forfeited bail increased 10.0%, fines for no proof of insurance increased 21.0%, criminal surcharge increased 8.0%, and fines for commercial vehicle violations had increased 13.0%.

During the FY 2002 Legislative Session, the General Assembly passed Senate File 2320 (FY 2003 Court Filing Fee Increase Act), which increased Clerk of Court civil filing fees. The increased filing fees are estimated to generate approximately \$3.1 million in revenue for the General Fund. The new fee amounts took effect July 1, 2002. The following is a list of fees and the amount of increase.

- | | |
|---------------------------------|-----------------------------|
| • Civil Filing Fee | Increase from \$80 to \$100 |
| • Final Decree of Dissolution | Increase from \$30 to \$50 |
| • Modification with Stipulation | Increase from \$25 to \$50 |
| • Small Claims Appeals | Increase from \$50 to \$75 |
| • Small Claims Cases | Increase from \$30 to \$50 |
| • Liens | Increase from \$10 to \$20 |
| • Change of Title | Increase from \$10 to \$20 |
| • Motion to Show Cause | Increase from \$25 to \$50 |
| • Jury Trials | Increase from \$10 to \$100 |

The following chart shows case filings from 2000 through 2002; however, the chart does not include schedule violations, civil infractions, search warrant applications, and seized property hearings.

	2002	2001	2000
Simple Misdemeanors	263,725	239,544	286,250
Indictable Criminal	85,466	82,783	79,705
Domestic Abuse	5,690	5,723	5,497
Civil	73,107	66,493	69,262
Small Claims	89,416	88,465	84,479
Probate Opened	18,775	18,133	18,035
Juvenile	12,477	12,390	10,791
Total	<u>548,656</u>	<u>513,531</u>	<u>554,019</u>

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Judicial Branch Revenue

<http://staffweb.legis.state.ia.us/lfb/IREVIEW/irview.htm>

LFB: IRJDD006.Doc/10/15/02/10:00 am

FY 2002 Judicial Branch Revenue - Attachment A

TOTAL REVENUE COLLECTED	<u><u>\$ 79,627,802</u></u>
Victim Compensation Fund	\$ 3,975,801
Jury Witness Fee Revolving Fund	2,345,562
Court Technology and Modernization Fund	1,000,000
Public Health Vital Statistics	162
Sex Offender Registry	35,022
DARE Surcharge	91,064
DOT Copy Fees	315,443
Prison Infrastructure Fund	9,500,000
Road Use Tax Fund	2,491,963
Enhanced Court Collections	4,000,000
Income Tax Offset	306,003
TOTAL REIMBURSABLES	<u><u>\$ 24,061,020</u></u>
 TOTAL DEPOSITED INTO GENERAL FUND	 <u><u>\$ 55,566,782</u></u>